



July 9, 2014

Item No. 9

**AUTHORIZATION TO ENTER INTO A TWO (2) YEAR CONTRACT WITH THREE (3) ONE-YEAR OPTIONS  
WITH EFFICIENCY ENERGY LLC FOR ENERGY POLICY ACT COORDINATOR SERVICES**

**TO THE HONORABLE BOARD OF COMMISSIONERS:**

**RECOMMENDATION**

It is recommended that the Board of Commissioners approve the attached Resolution authorizing the Chief Executive Officer (CEO) or his designee to enter into a contract with Efficiency Energy LLC for Energy Policy Act coordinator services for a two (2) year base term with three (3) one-year options. This will be a contingency contract and Efficiency Energy will receive 25% of monetized 179D tax benefits up to \$1,000,000, 20% of monetized benefits from \$1,000,000 to \$2,000,000 and 15% of monetized benefits above \$2,000,000.

The Chief Financial and Administrative Officer, Chief Legal Officer and the Department of Procurement and Contracts have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

**CORPORATE GOAL**

The proposed contract supports Plan Forward Goal #1: Reimagine the final phase of the Plan for Transformation, coordinating public and private investments to develop vibrant, complete communities.

**FUNDING:**

Contingent on the value of 179D tax credits that Efficiency Energy LLC monetizes on behalf of the CHA, 25% of monetized 179D tax benefits up to \$1,000,000, 20% of monetized benefits from \$1,000,000 to \$2,000,000 and 15% of monetized benefits above \$2,000,000.

**SOLICITATION SUMMARY**

**Vendor:** Efficiency Energy LLC  
288 Clayton Street, Suite 302  
Denver, CO 80206

**Contract Type:** Professional Services

**Base Contract Fee:** 25% of monetized 179D tax benefits up to \$1,000,000, 20% of monetized benefits from \$1,000,000 to \$2,000,000 and 15% of monetized benefits above \$2,000,000

**Base Contract Period:** 2 Years

**Option Period:** Three one-year options

**Publication(s):** Chicago Sun Times, Chicago Defender, Extra, BuySpeed, CHA website

**No. of Vendors Solicited:** 60

**Solicitation Release Date:** 3/21/2014

**Dates Advertised:** 3/21/2014

**Addendum:** 1

**Pre-Bid Meeting Date:** 4/1/2014

**Solicitation Due Date:** 4/25/2014

**Notification to Assist Agencies:** 66

**Number of Downloads: 25**

**Respondents: 1**

**COMPLIANCE INFORMATION**

Vendor	M/W/DBE Participation	Section 3 Hiring	Section 3 Subcontracting or Other Economic Opportunities
Efficiency Energy LLC	100%	No New Hires (30% of New Hires)	No subcontractors (3% of contract value) Other Economic Opportunities

Efficiency Energy LLC is a certified Small Business Enterprise (SBE) by the Coalition of Southern California Public Agencies. Efficiency Energy LLC will provide a Sec. 3 Business Concern, or qualified Resident, an opportunity with Certification Providers to receive training on the DOE approved software used to model building energy use and/or to provide site visit documentation in accordance with the IRS procedures.

**GENERAL BACKGROUND/EXPLANATION**

In March 2014, the Chicago Housing Authority issued a solicitation for Energy Policy Act Coordinator Services, RFP # 14-01300. The CHA has performed energy retrofit work on several properties, including 23 properties that received retrofit work between 2009 and 2012. These properties are eligible for Sec. 179D tax credits as part of the Energy Policy Act of 2005. The IRS included a Special Rule which allows governmental entities to transfer a tax deduction of \$0.60/sq. ft. to \$1.80/sq. ft. to tax-paying 'Designer' entities or contractors who provide qualifying lighting, HVAC, and building envelope retrofit improvements and new construction projects that were placed in service from December 31, 2005 to December 31, 2013.

Efficiency Energy LLC was the sole respondent. The proposal was reviewed and deemed to be responsive. Efficiency Energy will negotiate with CHA contractors eligible to claim available 179D tax credits to obtain the required certification(s), provide the market valuation and monetize the benefit to create savings and provide rebates to the CHA.

**Conclusion**

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority Board policies and all applicable federal (HUD) procurement laws.

The Chief Finance Officer concurs with the recommendation to execute a contract with Efficiency Energy LLC for Energy Policy Act coordinator services for contingent fee based compensation of the monetized tax credit revenue that Efficiency Energy LLC recovers on behalf of the CHA for a base term of two (2) years, with three (3) one-year options, which may be exercised at the discretion of the CEO or his designee, subject to satisfactory contract performance.

The Chief Executive Officer recommends the approval to execute a contract with Efficiency Energy LLC for Energy Policy Act coordinator services for contingent fee based compensation of the monetized tax credit revenue that Efficiency Energy LLC recovers on behalf of the CHA for a base term of two (2) years, with three (3) one-year options, which may be exercised at the discretion of the CEO or his designee, subject to satisfactory contract performance.

**RESOLUTION NO. 2014-CHA-75**

**WHEREAS,** the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated July 9, 2014 entitled: **"AUTHORIZATION TO ENTER INTO A TWO (2) YEAR CONTRACT WITH THREE (3) ONE-YEAR OPTIONS WITH EFFICIENCY ENERGY LLC FOR ENERGY POLICY ACT COORDINATOR SERVICES"**;

**THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:**

**THAT,** the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute a contract with Efficiency Energy LLC for contingent fee based compensation in the amount(s) of 25% of monetized 179D tax benefits up to \$1,000,000, 20% of monetized benefits from \$1,000,000 to \$2,000,000, and 15% of monetized benefits above \$2,000,000.

This award is subject to the Contractor's compliance with the CHA's applicable MBE/WBE/DBE/ Section 3 hiring and insurance requirements.



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